STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

IN THE MATTER OF: AUCTIONS FOR INCOME,

ITS OFFICERS, DIRECTORS,

EMPLOYEES, AGENTS, AFFILIATES,) File No 0600576

SUCCESSORS AND ASSIGNS.

AND DAVE ESPINO

ORDER TO CEASE AND DESIST

TO THE RESPONDENT: Dave Espino

Auctions for Income 15820 Euclid Ave.

Chino, California 91708

WHEREAS, a Summary Order to Cease and Desist was issued by the Secretary of State on February 23, 2007, ordering Auctions for Income, by and through its Officers, Directors, Agents, Affiliates, Successors and Employees. including Dave Espino, to cease and desist from offering and/or selling any business opportunity in the State of Illinois until further order of the Secretary of State

WHEREAS, pursuant to Section 5-65(1) of the Business Opportunity Sales Law of 1995, [815 ILCS 602 5/1 et seq.] (the "Act"), the failure to request a hearing within thirty (30) days of the receipt of the Summary Order to Cease and Desist shall constitute a sufficient basis to make the Summary Order final.

Auctions for Income, by and through WHEREAS, Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Dave Espino, have failed to request a hearing on the matters contained in the Summary Order within thirty (30) days of receipt of said Summary Order and that they are hereby deemed to have admitted the facts alleged in the said Summary Order

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Summary Order as the Secretary of State's Final Findings of Fact as follows:

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- That the Respondent, Auctions for Income, is a purported business entity with a last known address of 15820 Euclid Ave., Chino, California 91708;
- 2. That, at all times relevant the Respondent Dave Espino was an Officer, Director, Agent or Employee of Auctions for Income;
- of State entered an Order to Cease and Desist which ordered Respondents Auctions for Income, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, and Dave Espino to cease and desist from offering or selling business opportunities in the State of Illinois or to residents of the State of Illinois, said Order to Cease and Desist was properly served upon the Respondents on November 15, 2004;
- That during the month of September, 2006, Auctions for Income by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Dave Espino, offered and/or sold to at least one (1) resident of the State of Illinois, an opportunity to purchase supplies, equipment or services purportedly sufficient to enable the Illinois resident to start a business, including, but not limited to, assistance in setting up an EBay account, posting photographs of merchandise, and providing an "assistance hot line" as well as advice in selling methods, in return for payments which totaled \$64.00;
- 5. That Auctions for Income, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Dave Espino, represented to the Illinois resident, either directly or indirectly, that it would provide a marketing plan,
- 6. That Section 5-5.10(a) of the Illinois Business Opportunity Sales Law of 1995, [815 ILCS 602 5-1 et seq.] (the "Act") provides, inter alia, that a business opportunity is a contract or agreement, between a seller and a purchaser, express or implied, orally or in writing, wherein it is agreed that the seller or a person recommended by the seller shall provide to the purchaser any product, equipment, supplies or services enabling the purchaser to start a business when the purchaser is

required to make a payment to the seller or a person recommended by the seller and the seller represents directly or indirectly, orally or in writing, that the seller will provide a marketing plan;

- 7. That the above-referenced promotion, solicitation or offer constitutes an offer and/or sale of a business opportunity as those terms are defined pursuant to Sections 5-5.10 and 5-5.20 of the Act;
- 8. That Section 5-25 of the Act provides, <u>inter alia</u>, that it is unlawful for any person to offer or sell any business opportunity in the State of Illinois unless that business opportunity is registered under the Act or is exempt from registration under Section 5-10 of the Act;
- 9. That Section 5-95 (b)(1) of the Act provides, <u>inter alia</u>, that no person shall, either directly or indirectly, fail to comply with the terms of any order issued pursuant to this Act or any rules adopted by the Secretary of State;
- 10. That at all times relevant, Respondent Auctions for Income, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Dave Espino, failed to obtain or file for registration of the above-referenced business opportunity prior to any offer or sale in the State of Illinois;
- 11. That at all times relevant, Respondent Auctions for Income, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Dave Espino, failed to comply with the Order to Cease and Desist entered on November 3, 2004, by continuing to offer and sell business opportunities in the State of Illinois and to residents of the State of Illinois after the aforesaid Order was entered by the Illinois Secretary of State and served upon Respondent;
- 12 That Section 5-65 of the Act provided, inter alia, that if the Respondent to a Summary Order to Cease and Desist fails to request a hearing within time period specified, the cease and desist order will be permanent and the person named in the order will be deemed to have waived all rights to a hearing;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law

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contained in the said Summary Order as the Secretary of State's final Conclusions of Law as follows:

- 1. That, by virtue of the foregoing, Respondent, Auctions for Income, by and through it Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Dave Espino, has violated Section 5-25 and 5-95 (b) (1) of the Act;
- 2. That, by virtue of the foregoing, Respondent, Auctions for Income, by and through it's Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Dave Espino, is subject, pursuant to Section 5-65 of the Act, to an Order to Cease and Desist from offering and/or selling business opportunities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 5-65 of the Act, Respondent, Auctions for Income, by and through Its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Dave Espino, is to Cease and Desist from offering or selling business opportunities in the State of Illinois or to residents of the State of Illinois.

ENTERED: This 29% day of Mach , 2007.

JESSE WHITE SECRETARY OF STATE STATE OF ILLINOIS

Attorney for the Secretary of State: Johan Schripsema Illinois Securities Department 300 W. Jefferson, Suite 300A Springfield, Illinois 62702 Telephone. (217) 524-1688

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NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 5-115(a) of the Business Opportunity Law of 1995 [815 ILCS 602] (the ("Act"). Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 3 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review